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SUBJECT: OPPOSITION LEADER DISCUSSES ALLIANCE, FTA,
DOMESTIC POLITICS

REF: SEOUL 1821

Classified By: Amb. Alexander Vershbow. Reasons 1.4 (b/d).

¶1. (C) SUMMARY: At a June 6 luncheon with the Ambassador, Park Geun-hye, leader of the opposition Grand National Party (GNP), reaffirmed the primacy she placed on the U.S.-ROK alliance. On North Korea, she criticized the Roh Administration's "unconditional" engagement with the North, but opined that the Kaesong Industrial Complex, if managed correctly, could be used to introduce market economics to North Korea and draw it into the international community. Elated by her party's overwhelming victory in the May 31 regional elections, Park noted that, in a change from previous recent elections, the GNP had attracted votes from across various age groups as well as from Jeolla voters residing outside the province. Park will relinquish her leadership position in the GNP June 16 in order to pursue her presidential bid. END SUMMARY.

¶2. (SBU) Park Geun-hye, Chairwoman of the main opposition Grand National Party (GNP), hosted a luncheon June 6 for the Ambassador and Emboffs departing this summer for Korea-related assignments in Washington. The Ambassador was accompanied by ECON M/C, Pol/Ext Chief, and Pol/Int Chief. Park was joined by Rep. Yoo Jeong-bok, her Chief of Staff; Amb. Lee Jai-chun, Chairman of the GNP's International Relations Committee; and Paik Ki-yup (Walter), standing member of the GNP's International Relations Committee. Rep. Yoo noted that this was the first representational meal Park had hosted since she had been slashed in the cheek in the run-up to the May 31 elections. Although she still wore an adhesive bandage, Park nibbled at her meal and was in exceptionally high spirits, joking often with the guests.

U.S.-ROK RELATIONS, FTA

¶3. (C) Park noted that although she was critical of many of President Roh's actions, she fully and strongly supported his pursuit of FTA negotiations between the United States and the ROK. It was the "one thing," Park said, that Roh had done right in his presidency.

¶4. (C) As she has in every encounter with U.S. officials, she once again reaffirmed her unwavering belief in the centrality of the U.S.-ROK alliance. The U.S.-ROK "marriage" was going through a "rocky period," but it was still a meaningful relationship for both parties. With hard work and perseverance on both sides, the relationship would prevail,

Park said.

NORTH KOREA, KAESONG INDUSTRIAL COMPLEX

¶5. (C) Park took issue with the Roh Administration's North Korea policy, stating that "unilateral aid is not helpful to the North Korean people or to the cause of North Korean human rights." She claimed that Roh's "ambiguous" stance on contentious issues like the Northern Limit Line (NLL) had contributed to the Uri Party's defeat at the polls.

¶6. (C) Park stated that the GNP's position on North-South relations was based on three principles. North-South relations should be: (1) conducted in a transparent manner, (2) based on national consensus, and (3) coordinated with the international community, especially the United States. If all three conditions were met, she would have no objection to the realization of a North-South summit. She added that Seoul should also demand greater reciprocity from Pyongyang, and needed to demonstrate through action that there would be consequences if Pyongyang failed to follow through on its commitments.

¶7. (C) Later, Park noted that the GNP faced a dilemma in that it supported humanitarian aid to the North, but worried that Pyongyang was getting "too comfortable" with the level of aid provided by the ROK and China and saw little incentive to change its behavior.

¶8. (C) Regarding the Kaesong Industrial Complex (KIC), Park said that if managed properly, the KIC could be an effective means for introducing market economics to the North, exposing Northerners to the outside world, and drawing North Korea into the international community. She stressed, however, that investment in the KIC by private companies should be based on sound business principles, rather than on pressure from the ROKG. (NOTE: The ROKG provides monetary and tax incentives for private companies willing to invest in the KIC. END NOTE.)

¶9. (C) Responding to the Ambassador's explanation of U.S. concerns about the KIC, Park stressed that in order to realize the intent of the KIC, the ROKG must allow market forces to operate in Kaesong. In short, poorly run businesses must be allowed to fail in order to teach the North Koreans how to conduct business.

DOMESTIC POLITICS

¶10. (C) Park said although she had expected her party to win the May 31 regional elections, she had been surprised by the margin of the GNP's victory (reftel). The party's victory this time, in contrast to wins in the other two previous national-level parliamentary by-elections, had seen the GNP win votes from across age groups. She particularly noted that the GNP had won 60 percent of the votes of those in their 20s, which Park said reflected the youths' economic difficulties, i.e., lack of employment after college. The GNP had also managed to draw votes from Honam (Jeolla Province) voters residing outside South Jeolla Province. (NOTE: South Jeolla remains a stronghold for former President Kim Dae-jung and his old party, the Democratic Party (DP). DP candidates won almost all races in South Jeolla. END NOTE.)

¶11. (C) Park observed that although the Uri Party had brushed off its previous defeats, the margin and popular criticism surrounding its defeat this time might finally have shocked the ruling party into reflecting on its policies, including its foreign policy. Otherwise, Park predicted, the Uri Party would have no hope of retaining the presidency.

¶12. (C) Although the GNP was gratified to have won, it must now work even harder to assure victory in the December 2007 presidential race, Park said. She remarked that the May 31 vote reflected the public's "deep disappointment" with President Roh and his Uri Party, and growing support for the

GNP's policies, including its adherence to a strong U.S.-ROK alliance and advocacy of human rights in North Korea.

¶13. (C) Asked to comment on the ostensible presidential ambitions of former Prime Minister Goh Kun, Park criticized Goh for saying he believed in pragmatic solutions, not ideology. On the contrary, Park averred, pragmatic solutions should be seen as radiating from a given ideology. For her, democracy, rule of law, and market economics were at the ideological core of the ROK, and Seoul's handling of the U.S.-ROK relationship, for example, should radiate directly from that core. Park charged that the Uri Party had been punished by voters because it had attempted to shake the ROK's ideological core.

VERSHBOW